



BILLING CODE: 6714-01-P

FEDERAL DEPOSIT INSURANCE CORPORATION

12 CFR Part 365

RIN 3064-AE91

Regulatory Capital Rule: Capital Simplification for Qualifying Community

Banking Organizations; Correction

AGENCY: Federal Deposit Insurance Corporation.

ACTION: Correcting amendment.

SUMMARY: The Federal Deposit Insurance Corporation (FDIC) is correcting an interagency final rule that appeared in the *Federal Register* on November 13, 2019, regarding the final rule titled “Regulatory Capital Rule: Capital Simplification for Qualifying Community Banking Organizations.” These corrections are necessary to conform a footnote citation in the FDIC’s amendment to its codified appendix for the Interagency Guidelines for Real Estate Lending Policies with the footnote citation in the regulations of the other federal banking agencies that issued that final rule.

DATES: Effective [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: *FDIC:* Beverlea S. Gardner, Senior Examination Specialist, bgardner@fdic.gov, 202-898-3640; Policy and Program Development Section, Division of Risk Management Supervision; or Michael Phillips, Counsel, mphillips@fdic.gov; Catherine Wood, Counsel, cawood@fdic.gov; Francis

Kuo, Counsel, fkuo@fdic.gov, Supervision Branch, Legal Division, Federal Deposit Insurance Corporation, 550 17th Street, NW, Washington, DC 20429.

SUPPLEMENTARY INFORMATION: On November 13, 2019, the Office of the Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System (Board), and the FDIC (collectively, the agencies) published a final rule “Regulatory Capital Rule: Capital Simplification for Qualifying Community Banking Organizations” (CBLR final rule).¹ The CBLR final rule provides for a simple measure of capital adequacy for certain community banking organizations, consistent with section 201 of the Economic Growth, Regulatory Relief, and Consumer Protection Act.

Under the CBLR final rule, depository institutions and depository institution holding companies that have less than \$10 billion in total consolidated assets and meet other qualifying criteria, including a leverage ratio of greater than 9 percent, will be eligible to opt into the community bank leverage ratio framework (CBLR banks). In addition, under the CBLR final rule, the community bank leverage ratio framework incorporates tier I capital in the numerator of that leverage ratio. The CBLR final rule also amends standards referencing total capital so that an electing CBLR bank uses tier I capital in the numerator of that leverage ratio instead of total capital, which includes tier 2 capital.²

This correcting amendment will conform appendix A to subpart A of part 365 of the FDIC’s Real Estate Lending Standards regulation to that of the other Federal banking agencies.

¹ 84 FR 61776 (Nov. 13, 2019).

² See the definition of “total capital” in the FDIC’s capital rules in 12 CFR 324.2.

List of Subjects in 12 CFR Part 365

Banks, Banking, Mortgages.

For the reasons stated in the preamble, the FDIC corrects 12 CFR part 365 by making the following correcting amendment:

PART 365 – REAL ESTATE LENDING STANDARDS

1. The authority citation for part 365 is revised to read as follows:

Authority: 12 U.S.C. 1828(o) and 5101 *et seq.*

2. Amend appendix A to subpart A of part 365 by revising footnote 4 to read as follows:

Appendix A to Subpart A of Part 365 – Interagency Guidelines for Real Estate Lending Policies

* * * * *

⁴ For state non-member banks and state savings associations, “total capital” refers to that term described in § 324.2 of this chapter.

* * * * *

Federal Deposit Insurance Corporation.
Dated in Washington, DC, on March 12, 2020.

Robert E. Feldman,
Executive Secretary.

[FR Doc. 2020-05441 Filed: 3/19/2020 8:45 am; Publication Date: 3/20/2020]